**T H E K A M P A L A P R I N C I P L E S** **–**

FOR EFFECTIVE PRIVATE SECTOR ENGAGEMENT IN DEVELOPMENT COOPERATION:

Online Toolkit for Trade Unions

# **Table of Contents**

[**Glossary** 3](#_Toc109988196)

[**INTRODUCTION** 5](#_Toc109988197)

[**KAMPALA PRINCIPLE 1: INCLUSIVE COUNTRY OWNERSHIP.** 7](#_Toc109988198)

[**Strengthening coordination, alignment and capacity building at the country level** 7](#_Toc109988199)

[Sub-Principle 1.A: Define National PSE Goals Through an Inclusive Process 7](#_Toc109988200)

[Sub-Principle 1.B: Align and co-ordinate PSE through development co-operation with national priorities and strategies 8](#_Toc109988201)

[Sub-Principle 1.C: Invest in capacities for PSE through development cooperation 9](#_Toc109988202)

[**KAMPALA RINCIPLE 2: RESULTS AND TARGETED IMPACT** 11](#_Toc109988203)

[**Realising sustainable development outcomes through mutual benefits** 11](#_Toc109988204)

[Sub-Principle 2.A: Focus on maximising sustainable development results 11](#_Toc109988205)

[Sub-Principle 2.B: Ensure sustainable development results by aligning core business and development interests 12](#_Toc109988206)

[Sub-Principle 2.C: Engage in partnerships according to international standards 13](#_Toc109988207)

[**KAMPALA PRINCIPLE 3: INCLUSIVE PARTNERSHIP** 14](#_Toc109988208)

[**Fostering trust through inclusive dialogue and consultation** 15](#_Toc109988209)

[Sub-Principle 3.A: Support and participate in inclusive dialogue and consultation 15](#_Toc109988210)

[Sub-Principle 3.B: Promote inclusive, bottom-up and innovative partnerships and raise awareness of engagement opportunities 16](#_Toc109988211)

[Sub-Principle 3.C: Make partnerships more accessible 17](#_Toc109988212)

[**KAMPALA PRINCIPLE 4: TRANSPARENCY AND ACCOUNTABILITY** 18](#_Toc109988213)

[**Measuring and disseminating sustainable development results for learning and scaling up of successes** 18](#_Toc109988214)

[Sub-Principle 4.A: Measure results 18](#_Toc109988215)

[Sub-Principle 4.B: Disseminate results 19](#_Toc109988216)

[Sub-Principle 4.C: Ensure Accountability 20](#_Toc109988217)

[**KAMPALA PRINCIPLE 5: LEAVE NO ONE BEHIND** 22](#_Toc109988218)

[**Recognising, sharing and mitigating risks for all partners** 22](#_Toc109988219)

[Sub-Principle 5.A: Ensure that a private sector solution is the most appropriate way to reach those furthest behind 22](#_Toc109988220)

[Sub-Principle 5.B: Target specific locations, markets, value chains and investor types that are most likely to have a positive impact on those furthest behind 23](#_Toc109988221)

[Sub-Principle 5.C: Share risks proportionately to incentivise private sector contributions to leave no-one behind 24](#_Toc109988222)

[Sub-Principle 5.D: Establish provisions to mitigate and manage risks 25](#_Toc109988223)

# **Glossary**

**Blended finance:** Blended finance is the strategic use of development finance for the mobilisation of additional finance (public and/or private) towards sustainable development in developing countries. The World Economic Forum and OECD note that blended finance has three characteristics: 1) leverage – the use of development or philanthropic funds to attract capital into deals (i.e. concessional finance); 2) impact – investments that drive social, environmental and economic progress; and 3) returns – in line with market expectations based on real and perceived risks.

**Civil society organisations:** The multitude of associations around which society voluntarily organises itself and which represent a wide range of interests and ties. These can include community-based organisations, indigenous peoples’ organisations and non-governmental organisations. In line with the UN Guiding Principles Reporting Framework, business or other for-profit associations are not considered as Civil Society Organisations, but as private sector, albeit with a special status (see below).

**Development co-operation:** An activity that “aims explicitly to support national or international development priorities, is not driven by profit, discriminates in favour of developing countries and is based on co-operative relationships that seek to enhance developing country ownership”. Official development assistance is one form of financing within a much broader palette of development co-operation approaches and instruments. These include non-concessional finance; South-South and triangular co-operation; climate finance; co-operation among governments on non-aid policies; and co-operation with and among non‑governmental actors, such as businesses and civil society.

**Development partners:** This refers to the range of national and international organisations that partner with countries receiving development co-operation to realise national sustainable development priorities and achieve the SDGs. They include governments that provide different types of development co-operation, multilateral organisations such as United Nations agencies and programmes, international financial institutions such as the World Bank, bilateral development finance institutions, and philanthropic organisations. They may also include civil society organisations, trade unions and parliamentary organisations in their capacity as implementing partners.

**Dialogue**: Social dialogue is the process of negotiation by which different actors in society (or ‘social partners') reach agreement to work together on policies and activities. Inclusive dialogue is defined as structured and facilitated conversations on an issue of concern by representatives of the various groups and institutions who are affected by or can affect the issue positively or negatively. The success of interventions for reconciliation and social cohesion depends in part on the design and management of the process and how issues are addressed in each specific context

**Large domestic companies:** These include all resident corporations and quasi-corporations that are not controlled by government or by non-resident institutional units and which employ 250 or more employees.

**Micro, small and medium-sized enterprises (MSMEs):** MSMEs are non-subsidiary, independent firms which employ fewer than a given number of employees. This number varies across countries. The most frequent upper limit designating an SME is 250 employees, as in the European Union. Small firms are generally those with fewer than 50 employees, while micro-enterprises have at most 10, or in some cases 5, workers. The turnover of micro, small and medium-sized enterprises should not exceed EUR 2 million, EUR 10 million and EUR 50 million, respectively.

**Multinational corporations:** A multinational corporation, sometimes also called multinational enterprise, just multinational or international corporation, is an enterprise producing goods or delivering services in more than one country. A multinational enterprise has its management headquarters in one (or rarely more than one) country, the home country, while also operating in other countries, the host countries.

**Partner countries:** Countries that go into partnerships with development partners in the pursuit of advancing on their national development priorities and achieving development outcomes. They mostly consist of low- and middle-income countries that face disproportionately higher development challenges. It is in these contexts where local policy processes and implementation of development co-operation programmes and projects take place.

**Private sector:** The organisations that make up the private sector are those that engage in profit-seeking activities and have a majority private ownership (i.e. they are not owned or operated by a government). The term includes financial institutions; multinational companies; micro, small and medium-sized enterprises; co-operatives; individual entrepreneurs; and farmers who operate in the formal and informal sectors. The term excludes actors with a non-profit focus, such as civil society organisations. Chambers of commerce and business associations are important partners for stimulating policy dialogue and laying the groundwork for direct (financial) partnerships with the private sector in developing countries. Given their role in promoting business interests, they are considered under the definition of ‘private sector’, though with a special status, and not as civil society organisations.

**Private sector development:** Activities carried out by governments and development organisations with the objective of promoting an enabling environment for the private sector in partner countries. Private sector development refers to the substantive nature of particular development activities (i.e. the sector targeted by development interventions). Activities include the creation of an adequate policy environment, addressing market imperfections (e.g. value chain development) and firm-level interventions (e.g. capacity building, access to finance and markets).

**Private sector engagement:** The aim of private sector engagement (PSE) through development co‑operation is to leverage the private sector to achieve development objectives while at the same time recognising the need for financial return for the private sector. In 2016, the OECD defined PSE in development co-operation as “an activity that aims to engage the private sector for development results, which involves the active participation of the private sector.” The definition is broad and includes all modalities – such as finance, policy dialogue, capacity development, technical assistance, knowledge sharing and research. These efforts and actions range from informal collaboration to more formalised arrangements, encompassing many sectors (e.g. health, education, private sector development, etc.).

**Trade unions:** A trade union is defined as a workers’ organisation constituted for the purpose of furthering and defending the interests of workers.

# **INTRODUCTION**

Why a toolkit for Private Sector Engagement?

Development co-operation actors are increasingly working with the private sector to address global challenges and deliver on the 2030 Agenda at the country level. This has created a demand for more practical guidance on how to design, implement or review private sector partnerships in development co‑operation to deliver better outcomes at country level.

The [Kampala Principles for Effective Private Sector Engagement](https://www.effectivecooperation.org/content/kampala-principles-effective-private-sector-engagement-through-development-co-operation) – a set of 5 normative principles and 16 sub-principles – have been developed through inclusive dialogue and consultations to fill this gap and inspire stakeholders to collaborate in new ways with the private sector and strengthen their partnerships. The present toolkit builds on exchanges with a wide range of actors over almost three years to help stakeholders to practically do just that: applying the Kampala Principles through action-oriented guidance with a strong focus on the policy and project level of partnerships. It also aims to inspire action by showcasing how to champion the Kampala Principles in practical ways and in different contexts. Kampala Principles ‘champions’ will be important to showcase what good looks like and scale up such practices with the ambition to deliver better to achieve the 2030 Agenda with the help of different private sector actors as genuine partners in development.

A word on the scope: The aim of private sector engagement (PSE) *in development co-operation* is to engage the private sector in achieving development results, while at the same time recognising the private sector’s need for financial return. It must involve the active participation of the private sector (this is different than private sector development), which mainly refers to activities carried out by governments and development partners that benefit the private sector; for instance, by promoting an enabling business or regulatory environment). The working definition of PSE used in this toolkit is deliberately broad to include all related modalities (finance, policy dialogue, capacity development, technical assistance, knowledge sharing and research). PSE also covers the ambition to use development co-operation to *mobilise* additional private finance, but the guidance in this toolkit is focused on the implementation of projects with the private sector and the related policy environment. Nevertheless, the toolkit does provide indicative guidance that could be relevant for the mobilisation of additional finance and points to relevant resources for investors and policy makers interested in more detailed information.

Who is the toolkit for?

The toolkit comes in five parts. This part is meant to provide guidance to **trade unions** that have a role as watchdog and track whether development co-operation policies and projects with the private sector follow agreed international and national standards and a rights-based approach. In some cases, trade unions are directly involved in the implementation of PSE activities which is why a subset of the guidance is catered to organisations exercising that role. The other toolkit parts support action by partner country governments, development partners, the diverse set of private sector actors, and CSOs.

What are the base assumptions of this toolkit?

The toolkit recognises that trade unions operate in distinct ways and through different channels in development co-operation, with varying perspectives and demands for information. Trade unions commonly focus on setting high standards for accountability, social equity and impact for the most vulnerable, reasserting a rights-based approach to development through social dialogue and the rule of law. In some instances, organisations also participate in projects with the private sector as co-implementers of development co-operation. The toolkit also acknowledges that the private sector is comprised of a wide variety of actors with substantial differences in terms of interests, motivations and capacities. The toolkit, therefore, should not be perceived as a one-size-fits-all handbook of solutions for all topics, project modalities and types of trade unions and private actors. Rather, it serves as an *overall guide,* pointing to relevant and more detailed information from other sources to provide all actors the possibility to use the provided guidance in line with their own activities and systems.

How does the toolkit work?

Following the launch at the 2022 Effective Development Co-operation Forum, the toolkit will be freely accessible on line to all stakeholders. It will allow users to follow relevant content and filter specific information of interest. The guidance provided under each of the sub-principles is divided into: a) an explanation about its importance; b) priority questions for self-reflection; c) priority actions to consider; d) common pitfalls to avoid; e) examples of good country-level practices; and f) resources for further reading. The different roles that trade unions can take in development co-operation are recognised throughout the toolkit, with some principles being more relevant than others for different roles (e.g. transparency and accountability for the watchdog role).

How to navigate through this document?

The [**table of contents**](#_Table_of_Contents) provides a broad overview and allows jumping to specific sections of interest using the command “**ctrl+click**”. At the end of each Kampala sub-principle and at the bottom right corner of each page you will find the “[Back to Overview Ý](#_Table_of_Contents)” and the [Ý](#_Table_of_Contents) **buttons**. Both lead back to the table of contents at the beginning of this document. Should readers be interested in certain sub-topics, the **bookmarks overview** enables clicking and choosing among the different options under each Kampala Principle (see below). Clicking on the **button** [[**Ü**](#Self_Assess_KP1B)](#Self_Assess_KP1A) located next to each sub-heading using “**ctrl+click**” will redirect the reader to the same topic under the subsequent Kampala sub-principle (e.g. from the country example under KP 1B to the country example under KP 1C).

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Bookmarks overview** | | | | | | |
| Kampala Principle | | Self-Reflection Questions | Actions to consider | Pitfalls to avoid | Country examples | Resources |
| **1) Inclusive country ownership** | [A) National PSE goals](#_1.A_Define_National)  [B) National priorities alignment](#_1.B_Align_and)  [C) PSE capacities investment](#_1.C_Invest_in) | [Reflect\_KP1A](#Self_Assess_KP1A)  [Reflect\_KP1B](#Self_Assess_KP1B)  [Reflect\_KP1C](#Self_Assess_KP1C) | [Actions\_KP1A](#Actions_KP1A)  [Actions\_KP1B](#Actions_KP1B)  [Actions\_KP1C](#Actions_KP1C) | [Pitfalls\_KP1A](#Pitfalls_KP1A)  [Pitfalls\_KP1B](#Pitfalls_KP1B)  [Pitfalls\_KP1C](#Pitfalls_KP1C) | [Example\_KP1A](#Country_Example_KP1A)  [Example\_KP1B](#Country_Example_KP1B)  [Example\_KP1C](#Country_Example_KP1C) | [Resources\_KP1A](#Resources_KP1A)  [Resources\_KP1B](#Resources_KP1B)  [Resources\_KP1C](#Resources_KP1C) |
|  |  |  |  |  |  |  |
| **2) Results & Targeted Impact** | [A) Sustainable dev. results](#_2.A_Focus_on)  [B) Align business & dev. interests](#_2.B_Ensure_sustainable)  [C) International standards](#_2.C_Engage_in) | [Reflect\_KP2A](#Self_Assess_KP2A)  [Reflect\_KP2B](#Self_Assess_KP2B)  [Reflect\_KP2C](#Self_Assess_KP2C) | [Actions\_KP2A](#Actions_KP2A)  [Actions\_KP2B](#Actions_KP2B)  [Actions\_KP2C](#Actions_KP2C) | [Pitfalls\_KP2A](#Pitfalls_KP2A)  [Pitfalls\_KP2B](#Pitfalls_KP2B)  [Pitfalls\_KP2C](#Pitfalls_KP2C) | [Example\_KP2A](#Country_Example_KP2A)  [Example\_KP2B](#Country_Example_KP2B)  [Example\_KP2C](#Country_Example_KP2C) | [Resources\_KP2A](#Resources_KP2A)  [Resources\_KP2B](#Resources_KP2B)  [Resources\_KP2C](#Resources_KP2C) |
|  |  |  |  |  |  |  |
| **3) Inclusive partnerships** | [A) Inclusive dialogue](#_3.A_Support_and)  [B) Bottom-up partnerships](#_3.B_Promote_inclusive,)  [C) Accessibility of partnerships](#_3.C_Make_partnerships) | [Reflect\_KP3A](#Self_Assess_KP3A)  [Reflect\_KP3B](#Self_Assess_KP3B)  [Reflect\_KP3C](#Self_Assess_KP3C) | [Actions\_KP3A](#Actions_KP3A)  [Actions\_KP3B](#Actions_KP3B)  [Actions\_KP3C](#Actions_KP3C) | [Pitfalls\_KP3A](#Pitfalls_KP3A)  [Pitfalls\_KP3B](#Pitfalls_KP3B)  [Pitfalls\_KP3C](#Pitfalls_KP3C) | [Example\_KP3A](#Country_Example_KP3A)  [Example\_KP3B](#Country_Example_KP3B)  [Example\_KP3C](#Country_Example_KP3C) | [Resources\_KP3A](#Resources_KP3A)  [Resources\_KP3B](#Resources_KP3B)  [Resources\_KP3C](#Resources_KP3C) |
|  |  |  |  |  |  |  |
| **4) Transpa-rency & Accountability** | [A) Measure results](#_4.A_Measure_results)  [B) Disseminate results](#_4.B_Disseminate_results)  [C) Ensure accountability](#_4.C_Ensure_Accountability) | [Reflect\_KP4A](#Self_Assess_KP4A)  [Reflect\_KP4B](#Self_Assess_KP4B)  [Reflect\_KP4C](#Self_Assess_KP4C) | [Actions\_KP4A](#Actions_KP4A)  [Actions\_KP4B](#Actions_KP4B)  [Actions\_KP4C](#Actions_KP4C) | [Pitfalls\_KP4A](#Pitfalls_KP4A)  [Pitfalls\_KP4B](#Pitfalls_KP4B)  [Pitfalls\_KP4C](#Pitfalls_KP4C) | [Example\_KP4A](#Country_Example_KP4A)  [Example\_KP4B](#Country_Example_KP4B)  [Example\_KP4C](#Country_Example_KP4C) | [Resources\_KP4A](#Resources_KP4A)  [Resources\_KP4B](#Resources_KP4B)  [Resources\_KP4C](#Resources_KP4C) |
|  |  |  |  |  |  |  |
| **5) Leave no one behind** | [A) Assess private sector solution](#_5.A_Ensure_that)  [B) Targeting for greatest impact](#_5.B_Target_specific)  [C) Risk sharing](#_5.C_Share_risks)  [D) Risk mitigation](#_5.D_Establish_provisions) | [Reflect\_KP5A](#Self_Assess_KP5A)  [Reflect\_KP5B](#Self_Assess_KP5B)  [Reflect\_KP5C](#Self_Assess_KP5C)  [Reflect\_KP5D](#Self_Assess_KP5D) | [Actions\_KP5A](#Actions_KP5A)  [Actions\_KP5B](#Actions_KP5B)  [Actions\_KP5C](#Actions_KP5C)  [Actions\_KP5D](#Actions_KP5D) | [Pitfalls\_KP5A](#Pitfalls_KP5A)  [Pitfalls\_KP5B](#Pitfalls_KP5B)  [Pitfalls\_KP5C](#Pitfalls_KP5C)  [Pitfalls\_KP5D](#Pitfalls_KP5D) | [Example\_KP5A](#Country_Example_KP5A)  [Example\_KP5B](#Country_Example_KP5B)  [Example\_KP5C](#Country_Example_KP5C)  [Example\_KP5D](#Country_Example_KP5D) | [Resources\_KP5A](#Resources_KP5A)  [Resources\_KP5B](#Resources_KP5B)  [Resources\_KP5C](#Resources_KP5C)  [Resources\_KP5D](#Resources_KP5D) |
| *Note*: Hyperlinks lead to specific sub-sections under each Kampala Principle. | | | | | | |

# **KAMPALA PRINCIPLE 1: INCLUSIVE COUNTRY OWNERSHIP.**

# **Strengthening coordination, alignment and capacity building at the country level**

Government leadership, inclusive and co-ordinated processes, and capacity at national and local levels impact the long-term sustainability and effectiveness of private sector engagement (PSE) through development co-operation. Development co-operation can support the creation and implementation of policies for PSE through development at country level, facilitate PSE through development co-operation in ways that maximise participation by local businesses and build the capacity of all stakeholders to contribute.

## **Sub-Principle 1.A: Define National PSE Goals Through an Inclusive Process**

Articulate a policy framework that is explicit about the role expected of the private sector in delivering national and sectoral development priorities in line with the 2030 Agenda and the contributions of PSE through development co-operation, including how success will be measured. Such frameworks should set clear expectations regarding priorities and objectives for PSE through development co-operation at national level, including in key sectors and markets. They should be developed through an inclusive and equitable process that allows for dialogue (including social dialogue) up front with all relevant stakeholders, including those with more limited capacities such as micro, small and medium-sized enterprises (MSMEs).

\*\*\*

|  |
| --- |
| **Why is it important?** |
| A national strategy for working with the private sector in development cooperation can set or make reference to regulatory frameworks that companies should follow, identify priority sectors where companies can operate, set results frameworks around which companies can develop their projects, and create predictability. The quality of these regulatory frameworks vary, even in some cases restrictive and detrimental to civil society, workers and the environment. In these cases, international standards should called for. The involvment of Trade Unions is key to ensure there is national dialogue around integration of freedom of association, social dialogue and collective bargaining, and promoting decent work and the rights of working people within the strategy. It is also key to ensure that the strategy is framed within a normative approach to development – one that guarantees rights – and a vision of governments that maintains its developmental leadership role. |
| **Self-Assessment Questions** [**Ü**](#Self_Assess_KP1B) |
| * Have you **reviewed the national PSE strategy** (either a standalone policy or a section in an overall development co-operation strategy) of the country? * Is there a **defined role and responsibilities for Trade Unions** explained within the national PSE strategy? How restrictive is the strategy for Trade Unions to engage? Is the strategy promoting a **worker-friendly sustainable development model** of growth? * Have you and worker representatives been involved in the **elaboration of the national PSE strategy and/or definition of PSE goals** at the national level? Are there informal or more pragmatic ways to engage if the formal framework is restrictive? |
| **Actions to consider** [[**Ü**](#Self_Assess_KP1B)](#Actions_KP1B) |
| * **Be vocal to development partners and the national government that social dialogue and of the role of social partners** (trade unions and employer organisations) are essential foundations for project and policy making. * **Encourage worker representatives and employer organisations** to engage in shaping national development strategies and developing recommendations. * **Be vocal to development partners and the national government if the process is not transparent** and you have not been well informed of ongoing policies and strategy developments and if information has not been received at the right time to the right people. * **Clearly communicate your priorities to development partners and national government**, raising specific insights, good and bad practices, backed up with credible, practical, and relevant evidence. * **Forge alliances** that can support the inputs to national PSE strategies. |
| **Pitfalls to avoid** [[**Ü**](#Self_Assess_KP1B)](#Pitfalls_KP1B) |
| **DON’T…**   * **Engage in dialogues alone** * **Develop recommendations that are based on anecdotal evidence** rather than a collection of wide-ranging data. * **Conceal relevant information** for key partners. |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP1B) |
|  |
| **Resources** [[**Ü**](#Self_Assess_KP1B)](#Resources_KP1B) |
| * [ITUC A trade union take on the SDGs 2021](https://www.ituc-csi.org/a-trade-union-take-on-the-sdgs-2021) * [ITUC Trade union SDG Country Reports](https://www.ituc-csi.org/2030Agenda) * [ITUC The\_private\_sector\_and\_its\_role\_in\_development\_a\_trade\_union\_perspective](https://www.ituc-csi.org/IMG/pdf/the_private_sector_and_its_role_in_development_a_trade_union_perspective_en.pdf?msclkid=c0f5be03b59911ecb3c32a3c66d28394) |
| [Back to Overview Ý](#_Table_of_Contents) |

## 

## **Sub-Principle 1.B: Align and co-ordinate PSE through development co-operation with national priorities and strategies**

Individual projects should be based on agreed objectives that are linked to national development priorities and the 2030 Agenda. Partners should align their efforts with the priorities identified in the plans and policies of national and sub-national governments, as well as through inclusive consultation. Co-ordination within and across stakeholder groups is equally important to ensure synergies among the work of different actors and alignment with national PSE priorities and the Sustainable Development Goals (SDGs).

\*\*\*

|  |
| --- |
| **Why is it important?** |
| Aligning development cooperation projects which involve the private sector to national development priorities of a country is key to ensure shared responsibility and accountability among numerous partners within the country. It will improve effectiveness and impact of the project. Trade Unions should monitor and hold accountable development actors when PSE projects are developed, to ensure that they align to national development priorities and that an inclusive consultation process has been administered. |
| **Self-Assessment Questions** [[**Ü**](#Self_Assess_KP1B)](#Self_Assess_KP1C) |
| * Are **PSE projects aligned with national development priorities and the 2030 Agenda** for Sustainable Development? What Sustainable Development Goals do PSE projects touch on and may be leaving out? * Do **PSE projects explicitly indicate how they align** with the national PSE and development goals? * How often do relevant partners involved in PSE projects r**eview progress and ensure continued alignment** with national and sub-national objectives? How inclusive are such reviews? * Are **feasibility studies required on the impact of PSE projects/ programmes** on the environment and socio-economic status? |
| **Actions to consider** [[**Ü**](#Self_Assess_KP1B)](#Actions_KP1C) |
| * **Actively consult and look for information that could help you investigate if PSE projects and programmes are aligned** with national strategies, including national development goals, national results framework, feasibility studies and indicators, and joint assessment of progress. * **Continuously demand to be included in consultations** and to receive real time and relevant communications. * **Establish structured and regular channels of communication** with government focal points and development stakeholders to ensure coherence and facilitate alignment. * **Participate in any consultations and coordination meeting** including regular channels of communication with government focal points and development stakeholders to ensure coherence, facilitate alignment and avoid fragmentation * **Identify focal points and build relationships with other development actors** including from governments, development partners and civil society. |
| **Pitfalls to avoid** [[**Ü**](#Self_Assess_KP1B)](#Pitfalls_KP1C) |
| **DON’T…**   * **Dismiss national or sub-national development priorities** if they do not align well with your objectives and priorities. |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP1C) |
|  |
| **Resources** [**[Ü](#Resources_KP1C)**](#Self_Assess_KP1B) |
|  |
| [Back to Overview Ý](#_Table_of_Contents) |

## **Sub-Principle 1.C: Invest in capacities for PSE through development cooperation**

There is a need for investment in the development of institutional capacities to effectively partner across different stakeholder groups. The development community should also support the efforts of stakeholder groups to strengthen their capacity to engage effectively in PSE through development co-operation. This includes through national and local-level policy making and resource allocation with a particular focus on commonly excluded or difficult to reach groups.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| Partnerships with private sector actors in development cooperation can prove challenging to traditional ways of working and for the different stakeholders involved. To be effective, Trade Unions need to identify their capacity constraints (within management, skills, funding, internal governance) and their strengths (building workers voices, community focused, providing capacity sharing to project beneficiaries and project partners on labour rights, standards, social equity) to provide a watchdog role around PSE and build capacity of actors involved in PSE projects. |
| **Self-Assessment Questions** [[**Ü**](#Self_Assess_KP1B)](#Self_Assess_KP2A) |
| * Do you **offer trainings to development partners, national governments, partners from the private sector** on the importance of rule of law and social dialogue in PSE projects? * Do you **offer trainings to other stakeholders like CSOs, MSMEs, local authorities** on labour rights, social equity and other standardsfor them to effectively engage with development partners around PSE implementation and as a watchdog? * Do you **build the capacity of sister unions and associations and your own staff** to effectively engage as a watchdog in PSE projects and partnerships? * **Have you developed supporting guidelines** for the use of development partners and other stakeholders in support of formulation, implementation and assessment of partnerships with the private sector, including on due diligence processes? |
| **Actions to consider** [[**Ü**](#Self_Assess_KP1B)](#Actions_KP2A) |
| * **Support capacity building activities with development partners** to facilitate engagement with relevant actors. * **Raise awareness and build capacity amongst all partners in PSE projects** about the relevance of labour rights, responsible business conduct, and social and climate justice. * **Build your own capacity** within management, funding, coaching and other areas to strengthen your role as watchdog or facilitator of labour-rights capacity building in PSE projects. * **Request resources from development partners** for training and capacity building. |
| **Pitfalls to avoid** |
| **DON’T…**   * **Treat capacity building as a one-size-fits-all approach for partners in PSE projects**. PSE actors are diverse and may have different backgrounds and understandings of labour-related issues. |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP2A) |
| [TUC has partnered with Building and Woodworkers International (BWI)](https://www.tuc.org.uk/research-analysis/reports/trade-union-activism-violence-against-women-brazil) in Brazil and the Caribbean – to help initiate discussions on violence against women as a trade union issue and facilitate solidarity between unions working on this issue in the UK and the region. The project has built the capacity of unions by increasing understanding of the structural causes of gender-based violence, sharing good practice, and providing training on developing and implementing digital campaigns to tackle this issue. Over 28,000 people were reached by the digital campaigns developed as part of this project.  [In Bangladesh, TUC Aid](https://www.tuc.org.uk/research-analysis/reports/tuc-aid-supporting-empowerment-women-trade-union-leaders-bangladesh) supported a two-phase project which trained over 420 women on issues including organising, collective bargaining, labour law, women’s rights, trade union rights, leadership and health and safety. Following the first phase of the project with the National Garment Workers Federation and Danish Federation 3F, at least 20 women were elected to leadership positions in local unions. |
| **Resources**[[**Ü**](#Self_Assess_KP1B)](#Resources_KP2A) |
|  |
| [Back to Overview Ý](#_Table_of_Contents) |

# **KAMPALA PRINCIPLE 2: RESULTS AND TARGETED IMPACT**

# **Realising sustainable development outcomes through mutual benefits**

Private sector engagement (PSE) through development co-operation aims to realise better outcomes for people and the planet through partnerships that harness the mutual benefit from businesses and development stakeholders. Its effectiveness in achieving significant, sustained and sustainable development impacts depends on maximising clearly identified, well-defined and measurable sustainable development and business outcomes. predicting, avoiding and remedying unintended negative impacts; and ensuring that partnerships recognise and respect the needs and incentives of all partners.

## **Sub-Principle 2.A: Focus on maximising sustainable development results**

At the policy level there is a need to identify key sectors, markets and populations where increased private investment and entrepreneurial activity is needed to support sectoral, national and international sustainable development priorities and efforts to leave no one behind. It is also important to identify situations where PSE through development co-operation can support inclusive dialogue processes and the creation of partnerships involving private sector actors. Partners should identify and prioritise investments and engagement opportunities to maximise results for groups most in need, such as poor rural households and those living in urban poverty, women and young people. Delivering results for these groups will require partnerships with and support for micro, small and medium- sized enterprises (MSMEs), businesses and entrepreneurs in the informal sector, as well as trade unions and other relevant actors. Delivering results also includes other sustainability dimensions such as investments in environmental and climate action or the creation and defence of global public goods.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| Maximising sustainable development results is about bringing transformational change especially for those most left behind. Scalable market solutions can be an effective means to expand investments for sustainable development including environmental and climate action or the creation and defence of global public goods. Trade Unions have a key role in defending a worker-friendly sustainable development model of growth, ensuring there is recognition of the need for social dialogue and of the role of social partners (trade unions and employer organisations). Trade Unions further uphold the need for the effective compliance of all stakeholder rights and the promotion of climate justice as essential foundations for project and policy making. When public finances are used to support PSE, the development objectives and desired results should determine the selection of the private sector partners. Development cooperation should sustain and reinforce the role of public administration and services in developing countries. The project should, like any other, be evidenced-based, with careful targeting and tailored interventions. When all partners are on the same page about the objectives and desired outcomes of a project, these initiatives are more likely to be successful in producing the desired development results. |
| **Self-Assessment Questions** [[**Ü**](#Self_Assess_KP1B)](#Self_Assess_KP2B) |
| * Are **activities and the targeting of the interventions** towards specific sectors, markets and groups such as youth, women or populations particularly vulnerable to the impacts of climate change, **informed by the priorities and assessments of national development policies**? * Are **all the possible contributions made towards maximising the impact of development policies and project** - i.e. identification of target groups, project implementation, advocacy, monitoring, communications etc.? * Do the **partners understand the importance of social dialogue** to ensure it is part of the PSE projects and programmes design? |
| **Actions to consider** [**Ü**](#Actions_KP2B)**Ü** |
| * **Ensure you have the capacity and resources to fulfil a watchdog function.** * **Defend worker-friendly sustainable development results and climate justice** in PSE policy making and PSE projects. * **Ensure PSE projects and programmes focus on sectors, markets and populations such as youth, women or populations particularly vulnerable** to the impacts of climate change, that are critical for development outcomes. * Support governments and development partners in **identifying sectors and populations where PSE can maximise development results** including the climate agenda through participating in consultations or direct actions. * **Oversee the contribution of PSE projects and programmes to decent work creation and the formalisation of the informal economy.** |
| **Pitfalls to avoid** [[**Ü**](#Self_Assess_KP1B)](#Pitfalls_KP2B) |
| **DON’T…**   * **Remain silent when partners for the project focus solely on financial value** forgoing the value of social and environmental impacts. * **Support projects that does not have a theory of change** or focus on rights. * **Remain silent if it becomes clear that development cooperation is being diverted away from sustaining and reinforcing the role of public administration and services.** |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP2B) |
|  |
| **Resources** |
| * [PSI Four Principles for Private Sector Engagement](https://www.psi.org/2021/06/four-principles-for-private-sector-engagement/) * [ITUC Trade Union principles and guidelines on development effectiveness](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwj8mNbF_p35AhVtgM4BHQ5xDgUQFnoECAYQAQ&url=https%3A%2F%2Fwww.ituc-csi.org%2FIMG%2Fpdf%2F8GC_E_11_Appendix_I.pdf&usg=AOvVaw2zGMKLX_8ae3GYqBaIuokq) * [ITUC Making private sector investments in development programs aligned with the SDGs - International Trade Union Confederation](https://www.ituc-csi.org/making-private-sector-investments) |
|  |

## **Sub-Principle 2.B: Ensure sustainable development results by aligning core business and development interests**

The sustainability of results relies on a high level of commitment by all partners. When working with the private sector, projects and partnerships should be built on appropriate incentives for private participation, upfront consideration for core business practices/cases and agreed exit strategies that ensure ongoing viability after support schemes end. Ensuring compatibility between core business activities and 2030 Agenda objectives ensures that efforts are mutually beneficial for all parties and can be sustained beyond the end of the partnership.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| The SDG targets are ambitious and require transformation of both public and private activities. This transformation means encouraging the adoption of new business models, bringing in new innovation/technology and doing business differently – more sustainably and more ethically. Partnerships with the private sector are more likely to succeed and have sustainable development results when they are clearly linked to core business operations. Trade Unions can work with the private sector to ensure that development results and the respect of rights are part of the core business operations. Trade Unions continue to call out business models that are detrimental and undermine SDG impact. This watchdog role is extremely important for holding the private sector to account. |
| **Self-Assessment Questions** |
| * How can you **encourage businesses to better align their core operations with the ambitions of sustainable development**? * How can you **ensure that rights are respected, and due diligence is observed** in core business practices/ operations? * Have you been **able to provide inputs to a project framework on how the partnership will jointly define and measure development and business outcomes**? * Are the **private sector actors working on development projects keen on changing their business models,** in order to create truly **inclusive markets** that endeavour to contribute to the achievement of SDGs and the Paris Climate Agreement? What actions can you take to support them on this journey? |
| **Actions to consider** [[**Ü**](#Self_Assess_KP1B)](#Actions_KP2C) |
| * **Ensure that the identified development goals of PSE projects are actually on track or met** (watchdog function). * **Ensure social dialogue is part of the core business model** of the private sector involved in the PSE project. |
| **Pitfalls to avoid** [[**Ü**](#Self_Assess_KP1B)](#Pitfalls_KP2C) | |
| **DON’T…**   * **Stay quiet when government and development partners use inappropriate or excessive incentives** to attract business in detriment of development outcomes and rights. * **Assume that efforts to alignment are only businesses’ responsibility.** | |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP2C) | |
|  | |
| **Resources** [**[Ü](#Resources_KP2C)**](#Self_Assess_KP1B) | |
| * [TUAC The Trade Union Guide, Recommendations for Responsible Business Conduct in a Global Context](https://tuac.org/wp-content/uploads/2020/11/TradeUnionGuideCompressed.pdf) | |
| [Back to Overview Ý](#_Table_of_Contents) | |

## **Sub-Principle 2.C: Engage in partnerships according to international standards**

Development partners and governments have an obligation to ensure compliance with safeguards and regulations when working with the private sector or when the private sector is implementing a project on their behalf. These include the International Labour Organisation labour standards, the United Nations Principles on Business and Human Rights, and the OECD guidelines for multinational enterprises. Due diligence processes should include the identification of environmental, social and governance (ESG) risks as part of the partnership development process, with appropriate plans and responsibilities set in place to monitor and address risks over the course of the project life cycle. Partnerships should be founded on an understanding that all partners will follow relevant existing national and international voluntary and legal frameworks, in recognition of the fact that a commitment to high standards contributes to sustainable development results.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| International standards set important benchmarks for development programs and partnerships when it comes to the protection of human rights, labour standards, social dialogue, business practices and accountabilities, the environment etc. Trade Unions have long worked to ensure that multinational enterprises (MNEs) comply with international labour standards throughout their global production chains. Holding multinational businesses to account for their impact would require alignment of corporate behaviour and reporting with aid effectiveness principles and measuring impacts. The focus is on promoting a rights-based approach to development cooperation and the role of private sector should ensure compliance with ILO standards and uphold the role of social partners since there is no automatic cause-effect relationship between private sector development and decent work creation. |
| **Self-Assessment Questions** [[**Ü**](#Self_Assess_KP1B)](#Self_Assess_KP3A) |
| * Do PSE projects **observe local and international human rights and labour standards**? * Has there been **due diligence by the private sector partner ahead of the project commencing**, taking into account compliance with national frameworks and alignment with international standards? Is the project monitored by third party observers? * Do PSE projects have a **feedback, grievance, and redress mechanism (FGRM)** in place? * Has the PSE partnership conducted a **rigorous social and environmental impact assessment of the proposed programme** to identify and mitigate potentially harmful impacts? * Do you **provide PSE partners with awareness raising trainings to understand their obligations** and adherence to these standards and regulations? |
| **Actions to consider** [[**Ü**](#Self_Assess_KP1B)](#Actions_KP3A) |
| * At the global level, **provide support to local Trade Unions to make the link to the ILO, the National Focal Point for the OECD MNE Guidelines and to the MDBs** for the implementation of labour safeguards. * At the policy level, **ensure that policies and strategies take into account international standards** (i.e. International Labour Organisation Standards, UN Principles on Business and Human Rights, OECD guidelines for multinational enterprises). * At the project level, **ensure projects are following relevant existing national and international voluntary and legal frameworks** (watchdog function). * **Make sure the assessment framework checks that jobs created are of quality and sustainable, based on international labour standards**, particularly regarding: freedom of association and collective bargaining, fair wages, social protection, occupational health, and safety provisions. * If involved in the PSE project, **build in resources to the project or request standalone resources from development partners to support regular monitoring activities**. |
| **Pitfalls to avoid** [[**Ü**](#Self_Assess_KP1B)](#Pitfalls_KP3A) |
| **DON’T…**   * **Fail to build relations with civil society, international and domestic, to work together and share resources** on monitoring of standards. |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP3A) |
|  |
| **Resources** |
| * [TUAC Trade Union Guide on the OECD Guidelines for Multinational Enterprises](https://tuac.org/wp-content/uploads/2020/11/TradeUnionGuideCompressed.pdf) * [ITUC The labour standards of the multilateral development banks: a trade union guide](https://www.ituc-csi.org/IMG/pdf/2019-12_labour_standards_multilateral_development_banks-en.pdf) |
| [Back to Overview Ý](#_Table_of_Contents) |

# **KAMPALA PRINCIPLE 3: INCLUSIVE PARTNERSHIP**

# **Fostering trust through inclusive dialogue and consultation**

Governments, parliamentarians, the private sector, business associations, civil society and trade unions all play roles and have valuable contributions to make in the development of a domestic private sector that provides markets, decent employment, production inputs, and services and goods which improve the lives and livelihoods of those left behind. PSE through development co-operation can use its convening power to foster trust at country level between different stakeholders by promoting processes for regular and ongoing dialogue, as well as targeted consultation in the development of specific partnerships and programmes. It is important that PSE through development co-operation opportunities are inclusive and accessible to a wide range of partners, including smaller businesses, at the local level.

## **Sub-Principle 3.A: Support and participate in inclusive dialogue and consultation**

Partners should support institutionalised dialogue on PSE through development co-operation, including social dialogue, building on existing mechanisms – where these exist – to reach agreement on priorities, identify solutions to shared challenges, establish relationships and build partnerships. Such efforts contribute to building trust within and across stakeholder groups. Ensuring inclusivity may also mean supporting stakeholders with more limited capacities to engage in dialogue up-front (e.g., local MSMEs, informal sector entrepreneurs and rural producers and traders). Of equal importance is inclusive consultation with local stakeholders to identify needs and respond to concerns at policy and project levels.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| The SDGs stress the need to work in multi-stakeholder partnerships, adopt cross-sectoral approaches and focus on localised, context-based approaches while targeting the bottom of the pyramid. Developing inclusive dialogues and consultations is complex due to the disparity of contexts, the diversity and lived experiences of the different actors and the inherent power imbalances that exist. Greater participation by Trade Unions helps bring workers into dialogues and consultations, to ensure context-adapted solutions, build trust, and joint problem solving and lay the foundations for further social dialogue beyond the specific PSE project. Trade Unions have extensive experience in inclusive dialogue and consultation processes and bring valuable practices to any consultation process. |
| **Self-Assessment Questions** [[**Ü**](#Self_Assess_KP1B)](#Self_Assess_KP3B) |
| * Has the PSE partnership made a **commitment to regular inclusive dialogue** and do you know what this entails? Are you able to be part of the consultations? How are workers involved in the consultation process? * Has the PSE partnership developed c**odes of conduct, agreement on terminology, agreement on type and frequency of communication between partners and conflict resolution mechanisms** in place for these dialogues and consultations with beneficiaries and affected communities? * Is the **informal sector also included in dialogues and consultations**? Is there a way to support their involvement? |
| **Actions to consider** [[**Ü**](#Self_Assess_KP1B)](#Actions_KP3B) |
| * **Delegate representatives to be involved in dialogues and consultations.** * **Engage in (bipartite) social dialogue and collective bargaining** with the private sector. * **Participate in national tripartite institutions and national dialogue processes** together with the private sector (employers, chambers of commerce or others) and national and local governments. * **Participate in regular consultations** organised by national governments and development partners. | |
| **Pitfalls to avoid** [[**Ü**](#Self_Assess_KP1B)](#Pitfalls_KP3B) | |
| **DON’T…**   * **Assume that communication is clear and understood by all partners**. | |
| **Country example** [[**Ü**](#Self_Assess_KP1B)](#Country_Example_KP3B) | |
|  | |
| **Resources** | |
|  | |
| [Back to Overview Ý](#_Table_of_Contents) | |

## **Sub-Principle 3.B: Promote inclusive, bottom-up and innovative partnerships and raise awareness of engagement opportunities**

For specific partnerships, increase the range of partners involved at community level, including micro, small and medium-sized enterprises (MSMEs), making use of innovative engagement modalities to explore partnership opportunities in the spirit of leaving no one behind. Development partners should promote outreach and awareness raising of partnership opportunities by working with government, civil society, trade unions, academia and private sector stakeholders, including business associations, to promote greater participation by local businesses and other actors in PSE through development co-operation.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| Developing inclusive partnerships is complex due to the disparity of contexts, the diversity and lived experiences of the different partners and the inherent power imbalances that exist. The participation of all stakeholders, in particular local actors and the informal sector, is the only way to ensure context-adapted solutions, the basis for the sustainability of any project. Importance should be placed on forming mixed teams, different actors and diversity of disciplines. Trade Unions are key to uphold the rights to freedom of association and assembly, understanding the regulatory environment and ensure meaningful participation in decision making. |
| **Self-Assessment Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP3C) |
| * Can you **build and act upon the evidence of what works and what doesn’t** in PSE policy making and PSE projects and programmes? * Are there **areas in which MSMEs could have been involved in the level of PSE policy and project implementation**? * How are **engagement opportunities disseminated to Trade Union members**? * If involved in a PSE project, have you discussed with partners **how this partnership could contribute to formalising the informal economy**? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP3C) |
| * **Engage with development partners to be informed of partnership opportunities, PSE projects** being implemented in the country and **development partners’ policies on PSE**. * If involved in the PSE project, **support the identification of and access to partners involved at community level**, including cooperatives, local MSMEs, grassroots movements, community level efforts or locally owned entrepreneurial initiatives. * If involved in the PSE project, **ensure you advocate to be involved in the co-creation of the partnership**. * If involved in the PSE project, build in flexibility to enable collaboration at various stages of the partnership. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP3C) |
| **DON’T…**   * Maintain preconceived notions or biases and being inflexible. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP3C) |
|  |
| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP3C) |
|  |
| [Back to Overview Ý](#_Table_of_Contents) |

## **Sub-Principle 3.C: Make partnerships more accessible**

Partnerships should be facilitated through streamlined procedures that make engagement opportunities accessible to a wide range of stakeholders. Such processes should recognise that needs and capacities vary across and within stakeholder groups and that many of those with limited abilities and opportunities to engage are often also those most important to delivering the 2030 Agenda. Application procedures and monitoring and evaluation provisions should be established in accordance with different needs and capacities, the scale and scope of partnerships, and attention to transparency, accountability and timeliness.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| Multi-stakeholder partnerships are difficult but worthwhile. Each stakeholder brings a different set of values, priorities, resources and competencies to a partnership. For partnerships to succeed, it is critical that interests align, while acknowledging that there are huge power imbalances that must be recognised and mechanisms found to mitigate these, when entering into such partnerships. The challenge of any partnership is to bring these diverse contributions together, linked by a common vision in order to achieve sustainable development goals. It is important that partners recognise and accept that each partner organisation has the right to expect benefits that will be specific to them. Building trust among key players of any partnership is the key to creating ‘common ground’. Trade Unions have huge experience in developing partnerships and ensuring to highlight the barriers to participation. |
| **Self-Assessment Questions** |
| * Has there been **an assessment done on who are the actors to include in the partnership and what potential barriers** there are to inclusion? What **barriers are there for your and representatives’ inclusion**? * Have development partners and other partners **provided you with support on how best to work with them?** |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP4A) |
| * **Advocate for institutionalising inclusiveness in PSE partnerships and projects** to secure an equal voice for all relevant actors. * **Strengthen your role at country and local level** to secure accessibility to PSE activities for smaller, disadvantaged actors. |
| **Pitfalls to avoid** |
| **DON’T…**   * **Allow the most influential actors to determine the direction and agenda** of a partnership. Disparities in power and influence may be harming a partnerships’ accessibility but can be deliberately offset in PSE projects through providing greater voice and engagement opportunities to disempowered actors. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP4A) |
|  |
| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP4A) |
| * [The Partnering Initiative - A guide to cross-sector partnering](https://thepartneringinitiative.org/wp-content/uploads/2014/08/Partnering-Toolbook-en-20113.pdf) |
| [Back to Overview Ý](#_Table_of_Contents) |

# **KAMPALA PRINCIPLE 4: TRANSPARENCY AND ACCOUNTABILITY**

# **Measuring and disseminating sustainable development results for learning and scaling up of successes**

There is a lack of timely information, evidence and data related to the performance of partnerships with the private sector established to achieve sustainable development, including the 2030 Agenda. Transparency and accountability for PSE through development co-operation needs to be improved through the creation and use of frameworks that identify and measure results in terms of nationally and internationally defined sustainable development targets and business outcomes. Such results frameworks provide a transparent and mutual understanding of what is expected of the partners and what constitutes success for the partnership. They should set out roles and responsibilities for data collection and provisions for information disclosure, the communication of results and independent evaluation. The creation of complaints mechanisms related to the impacts or negative effects of PSE through development co-operation is also important for ensuring accountability.

## **Sub-Principle 4.A: Measure results**

Stakeholders should define and agree on frameworks to measure results for all partners involved. These include sustainable development outcomes and roles and responsibilities for data collection, with due consideration for reporting burdens. This also involves establishing provisions for independent evaluation, as appropriate.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| Measuring results helps to tell partners and the community what is working, what is not and what needs to be adapted. Measuring and communicating results will contribute to more resources, more confidence and better development outcomes. However, results and data documentation can marginalise many and lessen accountability if they become too heavy, bulky and not streamlined. Partners need to agree on a common measuring framework, how the data will be collected, the roles and responsibilities of each partner for collecting data and how the results will be compiled and shared publicly. Trade Unions can use their extensive knowledge and networks to build the most suitable framework that will focus in on collecting the results that will be able to identify impact, positive and negative, from the project to the local workers and communities and support the collecting of data. They can also call out when the process becomes to burdensome. |
| **Self-Assessment Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP4B) |
| * Does the partner country government have an **overarching results framework for PSE projects in their national strategies**? If so, did you actively participate in its creation? * Does the partnership take into account the **national systems and results frameworks of the country rather than creating entirely new metrics**? * Has **a complaints mechanism been set up** regarding the role and impact of private sectors activities in country? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP4B) |
| * **Support the development of monitoring frameworks** at project and policy level, ensuring that roles are clearly defined and information is easily accessible. * **Support data collection when relevant.** * At the global level, **support use of complaint mechanisms** (of the MDBs, MNE Guidelines and others) by national trade unions when relevant. * When relevant, **utilise the complaint mechanisms and ensure other stakeholders and local stakeholders know to use it.** * **Be clear and open when the reporting burden is too high** and seek to rebalance responsibilities with other partners. * **Request funding and resources to ensure you can meet your role and responsibilities in the monitoring framework**. * **Acknowledge challenges in collecting and processing data** and ask for support when needed. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP4B) |
| **DON’T…**   * **Communicate with partners on the capacities available to collect data from end users and when data is not available.** * **Disregard the tension between the need for streamlining indicators and the need for inclusivity** of diverse stakeholder goals and logics. Seek an appropriate balance but recognise there are no blueprints. * **Miss to engage when the government reaches out to develop the overarching framework.** |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP4B) |
|  |
| **Resources**[[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP4B) |
|  |
| [Back to Overview Ý](#_Table_of_Contents) |

## **Sub-Principle 4.B: Disseminate results**

Provide information on the outcomes of partnerships, including through inclusive dialogue, in order to learn, improve transparency and remain accountable to the partners involved, beneficiary communities and citizens at large. Sharing outcomes broadly also plays an important role in scaling and replicating successes.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| Disseminating results lets stakeholders and the community where the project is being implemented, know if it is delivering on its development outcomes or not. Being transparent about the results, whether they show success, challenges or failures helps open an inclusive dialogue on how to improve the project and builds trust and accountability. Trade Unions have an important watchdog role, calling out PSE projects that are not transparent and implement transparency and rights-based campaigns when needed. They can also help disseminate the results through their own networks and ensure it is done in a meaningful way for lessons to be learnt from the results. |
| **Self-Assessment Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP4C) |
| * Can you **make use of the information collected**? * Do you **support dissemination of results that display good practices in terms of social and climate justice**? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP4C) |
| * **Make use of information for a watchdog role.** * **Demand the publication of results and data to help your own analysis of the results.** * **Demand the publication of results at the intermediary stage** of the PSE project to help influence any course corrections needed. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP4C) |
| **DON’T…**   * **Accept poor quality of information.** * **Forget to demand for a complaints mechanism at the project level** and ensuring it is communicated extensively with the project affected people. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP4C) |
|  |
| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP4C) |
|  |
| [Back to Overview Ý](#_Table_of_Contents) |

## **Sub-Principle 4.C: Ensure Accountability**

Effective governance mechanisms, good project design and credible commitment are important to sustaining partnerships and ensuring that engaged parties are answerable to the commitments they have made. There is a need to establish and clearly communicate provisions for addressing concerns related to the impacts of partnerships.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| PSE depends on shared ethics and values, including high standards in corporate governance, environmental impact, social inclusion, and transparency. While PSE practices vary throughout the Program Cycle, ongoing consultation, clear lines of accountability, constant pulse-checks, clear internal and external communication and relationship-building between partners should remain constants. Trade Unions can promote and utilise accountability mechanisms that engage citizens, especially workers, to create a sense of ownership in projects help to ensure that funding decisions are relevant and implemented as promised. 1) Hold companies accountable by highlighting gaps and campaigning against lack of transparency or inaction; 2) work with companies to ensure they make changes that signify real progress; 3) advocate to governments for stricter regulations and mechanisms to hold companies accountable and prompt systemic change – ultimately ensuring governments are the duty bearers and particularly promoting MSMEs for effective development cooperation. |
| **Self-Assessment Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP5A) |
| * Do you **face barriers to hold PSE projects to account**? * Do you have **sufficient resources to hold PSE projects to account**? Do you know **where to access resources**? * Have you done **a mapping of PSE projects and programmes at the country level**? Collating data on their stakeholders and purpose, the size of engagement, and the communities which will be positively or negatively affected, among others is vital when building accountability mechanisms. * Are **internal auditing and evaluation practiced**? Is there an existing mechanism for hearing and addressing concerns regarding the project? * Is there **ongoing pulse checks, including a safe space in which to acknowledge and affirm feedback**? * Have you **asked to be involved in ensuring the accountability of corporate actors** and been sufficiently involved in the design and evaluation of the PSE projects? * Are the **most vital aspects and details of the PSE project**, particularly those with far-reaching impact, **available to the public**? * Has **the partnership made public** its partnership criteria, application producers, decision making, financial contract details, partners supported, activities, results and evaluations? * After collating and validating the set of information, it is possible to provide **both quantitative and qualitative insights into the state of PSE projects**? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP5A) |
| * **Appraise business conduct and hold companies to account** in upholding ESG standards and producing development impacts. * **Utilise already developed indices and scorecards** as they represent a potentially powerful mechanism for monitoring progress and holding companies accountable. * **Support the creation and clear communication of project-level grievance mechanisms** (PGFM). * If involved in project implementation, **monitor the implementation of accountability at sectoral and company level** through presence and representation in companies and multiple sectors (e.g. for big infrastructure projects where there are unionised workers). * If involved in project implementation, **support effective governance mechanisms in which communication among partners is clear and regular.** * If involved in project implementation, **ensure goals and commitments are realistic and credible** and that all partners are answerable to them. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP5A) |
| **DON’T…**   * **Accept poor quality of information.** * **Forget to advertise and utilise, when needed, the grievance mechanism at the project level.** |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP5A) |
|  |
| **Resources** |
|  |
| [Back to Overview Ý](#_Table_of_Contents) |

# **KAMPALA PRINCIPLE 5: LEAVE NO ONE BEHIND**

# **Recognising, sharing and mitigating risks for all partners**

Targeting the furthest behind through private sector engagement (PSE) requires greater risk-taking on the part of all partners involved. It is essential to recognise, share and mitigate such increased risk. This is necessary as diverse actors engage in partnerships, make investments to deliver development results and incentivise greater private sector contributions to sustainable development. This enables PSE through development cooperation to realise its full potential and help achieve progress where it is most urgently needed. This endeavour requires comprehensive and inclusive approaches that involve private investors, governments, civil society and, in particular, the vulnerable citizens and communities concerned that are excluded from competitive markets, employment opportunities and key economic and social services – or actors operating in areas and economic sectors where market failures, poor infrastructure, difficult access and weak governance make both private and public investment costly, difficult and risky. Private investment in these contexts is essential to address income poverty, food security, decent employment, inequality and economic inclusion. To ensure investments in these areas maintain a focus on leaving no one behind, all PSE efforts – from creating new markets and decent employment to providing specific goods and services – require such targeted approaches. As such, PSE through development co-operation must visibly contribute to leveraging additional investments, rather than simply increasing profitability.

## **Sub-Principle 5.A: Ensure that a private sector solution is the most appropriate way to reach those furthest behind**

The use of PSE through development co-operation to reach those furthest behind should be based on an assessment of whether a private sector solution is the most appropriate and sustainable way to realise the desired sustainable development results. Important factors in determining whether PSE through development co-operation is the right approach include the interests and motivations of potential private and public sector partners, the additional value a partnership with the private sector can bring over alternative solutions and the likelihood of realising long-term sustainable development results. In situations where PSE through development co-operation is the best approach, a set of realistic sustainable development objectives that target specific populations or sectors should be established, alongside an associated results framework.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| When official development assistance (ODA) is used to support PSE it should do with the aim to trigger investments that businesses would not make otherwise, to make them happen more quickly, at a bigger scale and be better in terms of development outcomes, the climate agenda and ensure intentionality when it comes to leaving no one behind. In short, public support should be additional to what would have happened anyway. In some cases market-based solutions might not be able to reach intended beneficiaries. Trade Unions have a role in monitoring and campaigning so the intended beneficiaries are reached, the climate agenda is upheld and the effective use of ODA by all donors. |
| **Self-Assessment Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP5B) |
| * What **advantages and risks, especially to beneficiaries and workers, does a private sector solution carry in a given project**? Has the project description answered this question? * Does the project include a theory of change that explicitly states the development challenge trying to be addressed and **how the involvement of the private sector will benefit those furthest behind**? * Does the **project examine alternative solutions to the development challenge** from actors other than the private sector? * Does the **project include an ex ante additionality assessment that specifically highlights how the project will meet the needs of those furthest behind**? Are there mechanisms in place to ensure course correction? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP5B) |
| * If involved in project implementation, **ensure the project can demonstrate the economic, social and environmental impact and contribution to economic growth and wealth creation** for those segments of society that are most affected by poverty. * **Ensure public and private accountability vis-à-vis expected development results of projects involving the private sector**, based on agreed rationale at the policy and project level. * **Demand explicit proof of additionality of projects and include a “public sector comparator”** (whereby the cost and benefit of alternative public solutions, including traditional public procurement, would be assessed); * **Participate in additionality assessments** to identify the added value of private sector modalities and solutions. * **Ensure business models are inclusive, sustainable and uphold labour rights.** |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP5B) |
| **DON’T…**   * **Limit your engagement on monitoring the quantity and quality of ODA provided to private sector instruments** and limit the analysis to if and how they potentially could reach those left behind. * **Reduce pressure of campaigning for ensuring rule of law and social dialogue.** * **Insist that tackling informality is a key part of any project focusing on the furthest behind.** |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP5B) |
|  |
| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP5B) |
| * [Chen, M. (2016, March 28). Worker Cooperatives Are More Productive Than Normal Companies. The Nation.](https://www.thenation.com/article/archive/worker-cooperatives-are-more-productive-than-normal-companies/) * [ITUC The private sector and its role in development – a Trade Union Perspective.](https://www.ituc-csi.org/IMG/pdf/private_sector-4.pdf) |
| [Back to Overview Ý](#_Table_of_Contents) |

## **Sub-Principle 5.B: Target specific locations, markets, value chains and investor types that are most likely to have a positive impact on those furthest behind**

When undertaking PSE, development co-operation should target contexts where investments in profitable entrepreneurial activity will provide markets, employment, production inputs, services and goods that improve the lives and livelihoods of those furthest behind. Partners should target support accordingly to promote efforts that leave no one behind by reducing risk, incentivising investment, and ensuring sustainability.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| The international community has committed to putting the furthest behind first. For this to succeed, PSE needs to target and expand people-centred markets, goods, and services to improve the well-being and livelihood of those furthest behind. Partnering with communities and others beyond the provision of financial resources, allows for co-creation and implementation of initiatives, identifies conflict-sensitivities and builds greater mutual accountability between companies and communities with appropriate modalities of co-operation and incentives for the private sector to contribute to leaving no one behind. Trade Unions can support identifying where initiatives are contributing to employment creation and to improve lives and livelihoods of the furthest behind. |
| **Self-Assessment Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP5C) |
| * Have **systems of accountability been established beyond the partnership**, which shows the private sector they should support the poorest through **decent work practices**, **paying living wages**, promoting **women-friendly workspaces**, and **reducing companies' negative impact on the environment**? * Has it been made clear **how the PSE project will target vulnerable sectors or populations**, ensure the rule of law is upheld and that social dialogue is included? * Do development partners have a PSE strategy that **explicitly and specifically targets countries, regions, sectors and contexts that are being left behind**? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP5C) |
| * **Identify where initiatives are contributing to employment creation** and to improve lives and livelihoods of the furthest behind. * **Support the government in making a LNOB agenda and strategy** with well-defined vision, mission with specific targets, clear coordination mechanisms and matrix of responsibilities for all relevant stakeholders plus needs assessment to collect data to inform private sector investments. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP5C) |
| **DON’T…**   * **Ignore collecting evidence and building case studies** that highlight both the successes and failures of PSE projects on those most left behind. |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP5C) |
|  |
| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP5C) |
|  |
| [Back to Overview Ý](#_Table_of_Contents) |

## **Sub-Principle 5.C: Share risks proportionately to incentivise private sector contributions to leave no-one behind**

Reaching those left behind can mean promoting partnerships in markets that have higher risks. These perceived risks need to be assessed jointly. Development co-operation can be used strategically to offset risks for the private sector when targeting populations underserved by the market. Considerations about sharing risks should be made in accordance with the scale and scope of the desired sustainable development results and due attention to the proportionality of risk being taken by public and private actors vis-à-vis benefits to partners. There should be transparency from the outset regarding the risks undertaken by each partner.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| Partnering is not a low-cost, quick fix or risk-free option. Partnerships require the sharing of risk and benefits. The costs of partnering can be high, not least because of the time needed to explore, establish and manage the partner relationships. It is important to recognise that risk is felt disproportionality between partners and stakeholders. Those with greater power may need to take higher risk to best assure that one is left behind. Trade Unions need to consider the opportunity costs and, preferably, establish some benchmarks against which they will measure whether the hoped-for outcomes of partnering are really worth the investment they are making. They are essential to establish a watchdog role supporting workers within the project to ensure they are not negatively affected by risk taking of the partnership. |
| **Self-Assessment Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP5D) |
| * Has the **local community helped assess local risks?** Have **your members been approached** to input into any risk analyses? * Have **potential risks for each stakeholder been assessed and given due consideration** to the proportionality of risks being taken on by public and private actors vis-à-vis the benefits to local communities? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP5D) |
| * **Ensure that the provision of free, prior and informed consent and social license to operate was offered** as part of due diligence assessment. * **Support the identification and assessment of risks** for workers and the beneficiary communities. * **Prioritise shielding vulnerable populations and sectors from risk**. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP5D) |
| **DON’T…**   * **Ignore the communities whose land is being affected by the project.** * **Assume that differing interests between partners are inherently negative and all evitable.** |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP5D) |
|  |
| **Resources** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Resources_KP5D) |
|  |
| [Back to Overview Ý](#_Table_of_Contents) |

## **Sub-Principle 5.D: Establish provisions to mitigate and manage risks**

Carry out a joint assessment of the potential risks for the beneficiaries of the partnership as part of due diligence. Develop systems to monitor these risks, bringing in appropriate civil society partners as needed and undertaking course correction where necessary.

\*\*\*

|  |
| --- |
| **Why is it important?** |
| Companies are responsible to conduct due diligence whatever size. What is tailored to size is how to conduct the due diligence as this requires resources. When making decisions as part of managing risk, it is about managing uncertainty to achieve objectives that may include social, environmental and economic objectives. Risk is also circumstance-specific and has to be dynamic, iterative and responsive to change. Risk is usually considered in terms of both threats and opportunities. Trade Unions need to hold to account PSE programmes and partnerships so they operate in line with the tenets of presumed full disclosure and transparency, principles of accountability, provision for public oversight, a public consultation mechanism and a publicly communicated complaints mechanism, including public reports on the outcome of complaints and in line with due diligence principles and guidelines. |
| **Self-Assessment Questions** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Self_Assess_KP1A) |
| * Have you **checked that the risk management process acknowledges the specific risks to beneficiary groups and sectors that emerge from the project’s sector of intervention** and those that emerge from the specific country context? * In the event that a PSE project or investment is causing environmental, social or governance harm, **is there mechanisms in place to course correct** (such as through a renegotiation of a contract to rebalance and manage risk; a readjustment of a project’s aims, partners or activities)? |
| **Actions to consider** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Actions_KP1A) |
| * **Participate in regular risk assessments**. * **Ensure governments regularly update and monitor risk assessment frameworks**. * If involved in project implementation, **anticipate, manage and mitigate conflict of interest**. |
| **Pitfalls to avoid** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Pitfalls_KP1A) |
| **DON’T…**   * **Decline to push for Trade Unions to give contributions and have key role in monitoring risk** both at the strategic, policy or local level. * **Stay silent if no established guidelines on acceptable levels of risk are published.** * **Limit communication with partners, staff and members about the partnerships’ approach to conflict of interests.** |
| **Country example** [[[**Ü**](#Self_Assess_KP1B)](#Resources_KP3B)](#Country_Example_KP1A) |
|  |
| **Resources** |
| * [The Partnering Initiative - SDG Partnership Guidebook](https://thepartneringinitiative.org/publications/toolbook-series/the-sdg-partnerships-guidebook/) |

[Back to Overview Ý](#_Table_of_Contents)